

United States v. Arthrex Inc.

One Company's Fight with the PTAB

by

Ronald Chichester



COMPUTER AND
TECHNOLOGY
SECTION

Arthrex® 



(12) **United States Patent**
Dreyfuss et al.

(10) **Patent No.:** **US 8,821,541 B2**
(45) **Date of Patent:** **Sep. 2, 2014**

(54) **SUTURE ANCHOR WITH INSERT-MOLDED RIGID MEMBER**

(75) Inventors: **Peter J. Dreyfuss**, Naples, FL (US);
William C. Benavitz, Naples, FL (US)

(73) Assignee: **Arthrex, Inc.**, Naples, FL (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 1023 days.

(21) Appl. No.: **11/518,872**

(22) Filed: **Sep. 12, 2006**

(65) **Prior Publication Data**

US 2007/0073299 A1 Mar. 29, 2007

Related U.S. Application Data

(58) **Field of Classification Search**

USPC 606/232, 72-74; 411/320, 142, 199,
411/216, 356, 357, 76, 350, 555
See application file for complete search history.

(56) **References Cited**

U.S. PATENT DOCUMENTS

1,610,309 A 12/1926 Niederer
1,925,174 A 9/1933 Cremean

(Continued)

FOREIGN PATENT DOCUMENTS

CA 2045903 6/1991
EP 0951869 A1 10/1999

(Continued)

OTHER PUBLICATIONS



Smith+Nephew

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Inter Partes Review

Inter Partes Review

The screenshot shows the USPTO website header with the logo and navigation links. Below the header is a search bar and a menu with categories like Patents, Trademarks, IP Policy, and Learning and Resources. The main content area features a breadcrumb trail, a share/print button, and a large heading for the Patent Trial and Appeal Board. A descriptive paragraph follows, explaining the board's role in conducting trials and appeals.

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Patent Trial and Appeal Board

The Patent Trial and Appeal Board (PTAB) conducts trials, including inter partes, post-grant, and covered business method patent reviews and derivation proceedings, hears appeals from adverse examiner decisions in patent applications and reexamination proceedings, and renders decisions in interferences.



Trials and appeals



Decisions



Learn more

Inter Partes Review

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Trials and appeals



Decisions



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“Patent Death Squad”



Smith+Nephew

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1,903,174 A 9/1933 Cremean

(Continued)

FOREIGN PATENT DOCUMENTS

CA 2045903 6/1991
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(Continued)

OTHER PUBLICATIONS

Related U.S. Application Data

Claims 1-9



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- Filed a Preliminary Response



COMPUTER AND
TECHNOLOGY
SECTION



- Filed a Preliminary Response
 - Disclaimed claims 1-9



COMPUTER AND
TECHNOLOGY
SECTION



- Filed a Preliminary Response
 - Disclaimed claims 1-9
 - Cited 37 C.F.R. § 42.73(b)



37 C.F.R. § 42.73(b)

- A party may request judgment against itself at any time during a proceeding. Actions construed to be a request for adverse judgment include:
 - (1) Disclaimer of the involved application or patent;
 - (2) Cancellation or disclaimer of a claim such that the party has no remaining claim in the trial;
 - (3) Concession of unpatentability or derivation of the contested subject matter; and
 - (4) Abandonment of the contest.



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- Filed a Preliminary Response
 - Disclaimed claims 1-9
 - Cited 37 C.F.R. § 42.73(b)
 - “[b]y filing the statutory disclaimer, Arthrex, Inc. is not requesting an adverse judgment.” J.A. 17.



Patent Trial and Appeal Board



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Patent Trial and Appeal Board

- Shortly thereafter, the Board stated that the disclaimer was a de-facto request for an adverse judgment, and granted a judgment to that effect.



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- The problem for Arthrex was that the adverse judgment had an *estopple effect* attached, which affected two continuation applications (since issued) and another pending continuation application





- The problem for Arthrex was that the adverse judgment had an *estopple effect* attached, which affected two continuation applications (since issued) and another pending continuation application
- Arthrex appealed





*United States Court of Appeals
for the Federal Circuit*

- Arthrax I



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*United States Court of Appeals
for the Federal Circuit*

- Arthrax I
 - The adverse judgment was appealable



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*United States Court of Appeals
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 - The adverse judgment was appealable
 - The Board's interpretation of the regulation was consistent with the language of Rule 42



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United States Court of Appeals for the Federal Circuit

- Arthrax I
 - The adverse judgment was appealable
 - The Board's interpretation of the regulation was consistent with the language of Rule 42
 - The CAFC did **not** need to address whether the regulation was authorized by statute and, if so, whether it was properly promulgated



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New Case

New Case



Smith+Nephew

New Case



Smith+Nephew

(12) **United States Patent**
EIAttrache et al.

(10) **Patent No.:** **US 9,179,907 B2**
(45) **Date of Patent:** ***Nov. 10, 2015**

(54) **KNOTLESS GRAFT FIXATION ASSEMBLY**

2017/044 (2013.01); *A61B 2017/045* (2013.01);
A61B 2017/0409 (2013.01); *A61B 2017/0414*
(2013.01); *A61B 2017/0445* (2013.01);

(71) Applicant: **Arthrex, Inc.**, Naples, FL (US)

(Continued)

(72) Inventors: **Neal S. EIAttrache**, Los Angeles, CA (US); **Stephen S. Burkhart**, San Antonio, TX (US); **Peter J. Dreyfuss**, Naples, FL (US)

(58) **Field of Classification Search**
USPC 606/139, 144, 104, 73, 232, 75
See application file for complete search history.

(73) Assignee: **Arthrex, Inc.**, Naples, FL (US)

(56) **References Cited**

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U.S. PATENT DOCUMENTS

2,121,193 A 6/1938 Hanicke
2,329,398 A 9/1943 Duffy

This patent is subject to a terminal dis-

(Continued)

Patent Trial and Appeal Board



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Patent Trial and Appeal Board

- Now on review of claims 10 and 11



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Patent Trial and Appeal Board

- Now on review of claims 10 and 11
- PTAB ruled claims 10 and 11 invalid (obvious)



COMPUTER AND
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Patent Trial and Appeal Board

- Now on review of claims 10 and 11
- PTAB ruled claims 10 and 11 invalid (obvious)
 - In doing so, they used different language than Smith & Nephew



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*United States Court of Appeals
for the Federal Circuit*

- In Arthrax II

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*United States Court of Appeals
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- In Arthrax II
 - The PTAB's minor wording change did not violate the Administrative Procedural Act, and so Arthrax was not harmed
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 - The PTAB's claim construction was supported by substantial evidence, and so the result was correct
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COMPUTER AND
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United States Court of Appeals for the Federal Circuit

- In **Arthrex II**
 - The PTAB’s minor wording change did not violate the Administrative Procedural Act, and so Arthrex was not harmed
 - The PTAB’s claim construction was supported by substantial evidence, and so the result was correct
 - Arthrex did not articulate a “cognizable constitutional challenge to IPR for its patent”



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Patent Trial and Appeal Board

- The PTAB then wrote a final written decision holding that claims 1, 4, 8, 10-11, 16, 18, and 25-28 (of the '907 patent) were anticipated



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- Arthrex appealed, arguing that the that the appointment of the Board’s Administrative Patent Judges (“APJs”) by the Secretary of Commerce, as currently set forth in Title 35, violates the Appointments Clause, U.S. Const., art. II, § 2, cl. 2.



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*United States Court of Appeals
for the Federal Circuit*

- Arthrex III

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*United States Court of Appeals
for the Federal Circuit*

- Arthrex III

- The CAFC agreed with Arthrex about the constitutional claim, however...

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COMPUTER AND
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United States Court of Appeals for the Federal Circuit

- **Arthrex III**

- The CAFC agreed with Arthrex about the constitutional claim, however...
- The CAFC cured the problem by “severing the portion of the Patent Act [5 U.S.C. § 7513(a)] restricting removal of the APJs is sufficient to render the APJs inferior officers and remedy the constitutional appointment problem.”

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COMPUTER AND
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United States Court of Appeals for the Federal Circuit

- **Arthrex III**

- The CAFC agreed with Arthrex about the constitutional claim, however...
- The CAFC cured the problem by “severing the portion of the Patent Act [5 U.S.C. § 7513(a)] restricting removal of the APJs is sufficient to render the APJs inferior officers and remedy the constitutional appointment problem.”
 - Now PTAB judges could be removed without cause



COMPUTER AND
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- The CAFC raised a unique set of constitutional due process concerns





- The CAFC raised a unique set of constitutional due process concerns
- The CAFC severing 5 U.S.C. § 7513(a) only made things worse for patent owners in IPR and other proceedings





SUPREME COURT

OF THE UNITED STATES

The Questions

- (1) Whether, for purposes of the Constitution's appointments clause, administrative patent judges of the U.S. Patent and Trademark Office are principal officers who must be appointed by the president with the Senate's advice and consent, or "inferior Officers" whose appointment Congress has permissibly vested in a department head; and
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- (2) whether, if administrative patent judges are principal officers, the court of appeals properly cured any appointments clause defect in the current statutory scheme prospectively by severing the application of 5 U.S.C. § 7513(a) to those judges.